

**Proposed Substitute  
Bill No. 5591**

LCO No. 3014

**AN ACT CREATING THE CONNECTICUT RETIREMENT SECURITY  
PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) As used in this section and  
2       sections 2 to 12, inclusive, of this act:

3       (1) "Authority" means the Connecticut Retirement Security  
4       Authority established pursuant to section 2 of this act;

5       (2) "Board" means the Connecticut Retirement Security Authority  
6       board of directors established pursuant to section 2 of this act;

7       (3) "Contribution level" means (A) the contribution rate selected by  
8       the participant that may be expressed as (i) a percentage of the  
9       participant's taxable wages as is required to be reported under Sections  
10      6041 and 6051 of the Internal Revenue Code of 1986, or any subsequent  
11      corresponding internal revenue code of the United States, as amended  
12      from time to time, or (ii) a dollar amount up to the maximum  
13      deductible amount for the participant's taxable year under Section  
14      219(b)(1) of the Internal Revenue Code of 1986, or any subsequent  
15      corresponding internal revenue code of the United States, as amended  
16      from time to time; or (B) in the absence of an affirmative election by the  
17      participant, three per cent of the participant's taxable wages as is

18 required to be reported under Sections 6041 and 6051 of the Internal  
19 Revenue Code of 1986, or any subsequent corresponding internal  
20 revenue code of the United States, as amended from time to time, or  
21 such other amount as determined by the authority;

22 (4) "Covered employee" means an individual (A) who has been  
23 employed by a qualified employer for a period of not less than one  
24 hundred twenty days, (B) who is nineteen years of age or older, (C)  
25 who performs services within the state for purposes of section 31-222  
26 of the general statutes, and (D) whose service or employment is not  
27 excluded under the provisions of subdivision (5) of subsection (a) of  
28 section 31-222 of the general statutes;

29 (5) "Participant" means any individual participating in the program;

30 (6) "Program" means the Connecticut Retirement Security Program  
31 established pursuant to section 3 of this act;

32 (7) "Qualified employer" means any person, corporation, limited  
33 liability company, firm, partnership, voluntary association, joint stock  
34 association or other entity doing business in the state during the  
35 calendar year, whether for profit or not for profit, that employed on  
36 October first of the preceding calendar year five or more individuals in  
37 the state and has paid not less than five of such individuals taxable  
38 wages of not less than five thousand dollars in the preceding calendar  
39 year. "Qualified employer" does not include: (A) The federal  
40 government, (B) the state or any political subdivision thereof, (C) any  
41 municipality, unit of a municipality or municipal housing authority,  
42 (D) an employer employing only individuals whose services are  
43 excluded under subdivision (5) of subsection (a) of section 31-222 of  
44 the general statutes, or (E) an employer that was not in existence at all  
45 times during the current calendar year and the preceding calendar  
46 year;

47 (8) "Individual retirement account" means a Roth IRA or a  
48 traditional IRA, as the case may be;

49 (9) "Roth IRA" means an account described in Section 408A of the  
50 Internal Revenue Code of 1986, or any subsequent corresponding  
51 internal revenue code of the United States, as amended from time to  
52 time;

53 (10) "Traditional IRA" means an account described in Section 408 of  
54 the Internal Revenue Code of 1986, or any subsequent corresponding  
55 internal revenue code of the United States, as amended from time to  
56 time; and

57 (11) "Normal retirement age" means sixty-five years of age or an  
58 earlier age as is chosen by the participant, except that in no case can  
59 the age be earlier than the age specified in Section 216(l)(1) of the Social  
60 Security Act, 42 USC 416(l)(1), as amended from time to time.

61 Sec. 2. (NEW) (*Effective from passage*) (a) There is hereby established  
62 and created a body politic and corporate, constituting a public  
63 instrumentality and political subdivision of the state of Connecticut  
64 established and created for the performance of an essential public and  
65 governmental function, to be known as the Connecticut Retirement  
66 Security Authority. The authority shall not be construed to be a  
67 department, institution or agency of the state.

68 (b) The powers of the authority shall be vested in and exercised by a  
69 board of directors, which shall consist of nine voting members, each a  
70 resident of state, (1) the State Treasurer who shall serve as an ex officio  
71 voting member; (2) the State Comptroller who shall serve as an ex  
72 officio voting member; (3) one appointed by the speaker of the House  
73 of Representative who shall serve an initial term of four years; (4) one  
74 appointed by the majority leader of the House of Representatives who  
75 shall serve an initial term of four years; (5) one appointed by the  
76 minority leader of the House of Representatives, who shall serve an  
77 initial term of four years; (6) one appointed by the president pro  
78 tempore of the Senate, who shall serve an initial term of four years; (7)  
79 one appointed by the majority leader of the Senate, who shall serve an  
80 initial term of four years; (8) one appointed by the minority leader of  
81 the Senate, who shall serve an initial term of four years; and (9) one

82 appointed by the Governor, who shall serve an initial term of four  
83 years. Thereafter, said members of the General Assembly and the  
84 Governor shall appoint members of the board to succeed such  
85 appointees whose terms expire and each member so appointed shall  
86 hold office for a term of six years from July first in the year of his or her  
87 appointment. Appointed members shall include: (A) An individual  
88 with a favorable reputation for skill, knowledge and experience in the  
89 interests of employees in retirement savings; (B) an individual with a  
90 favorable reputation for skill, knowledge and experience in the  
91 interests of employers in retirement savings; and (C) an individual  
92 having a favorable reputation for skill, knowledge and experience in  
93 offering retirement savings products or advice. Each ex-officio member  
94 may designate such member's deputy or any member of such  
95 member's staff to represent such member at meetings of the board with  
96 full power to act and vote on such member's behalf.

97 (c) All appointments to the board shall be made not later than July  
98 31, 2016. Any vacancy shall be filled by the appointing authority not  
99 later than thirty calendar days after the office becomes vacant. Any  
100 member previously appointed to the board may be reappointed.

101 (d) The Governor, with the advice and consent of both houses of the  
102 General Assembly, shall select a chairperson of the board from among  
103 the members of the board. The board shall annually elect a vice-  
104 chairperson and such other officers as it deems necessary from among  
105 its members. The board may appoint an executive director and  
106 assistant executive director, who shall not be members of the board  
107 and who shall serve at the pleasure of the board. The executive  
108 director and assistant executive director shall be employees of the  
109 authority and shall receive such compensation as prescribed by the  
110 board.

111 (e) The members of the board shall serve without compensation but  
112 shall, within available appropriations, be reimbursed in accordance  
113 with the standard travel regulations for all necessary expenses that  
114 they may incur through service on the board.

115 (f) (1) Each member of the board shall, not later than ten calendar  
116 days after his or her appointment, take and subscribe the oath of  
117 affirmation required by article XI, section 1, of the State Constitution.  
118 Each member's term shall begin from the date the member takes such  
119 an oath. The oath shall be administered by the Secretary of the State  
120 and shall be filed in the office of the Secretary of the State.

121 (2) Each member of the board authorized by resolution of the board  
122 to handle funds or sign checks for the program, and any other  
123 authorized officer, shall, not later than ten calendar days after the date  
124 the board adopts such authorizing resolution, execute a surety bond in  
125 the penal sum of fifty thousand dollars or, in lieu thereof, the  
126 chairperson shall obtain a blanket position bond covering the executive  
127 director and every member of the board and other employee or  
128 authorized officer of the authority in the penal sum of fifty thousand  
129 dollars. Each such bond shall be conditioned upon the faithful  
130 performance of the duties of the chairperson or the members, executive  
131 director and other authorized officers or employees, as the case may  
132 be, shall be executed by a surety company authorized to transact  
133 business in the state as surety, and shall be filed in the office of the  
134 Secretary of the State. The cost of each such bond shall be paid by the  
135 authority.

136 (g) An authorized officer or the executive director, if one is  
137 appointed by the board pursuant to subsection (d) of this section, shall  
138 supervise the administrative affairs and technical activities of the  
139 program in accordance with the directives of the board. Such  
140 authorized officer or executive director, as the case may be, shall keep  
141 a record of the proceedings of the program and shall be custodian of  
142 all books, documents and papers filed with the program, the minute  
143 book or journal of the program and its official seal. Such authorized  
144 officer or executive director, as the case may be, may cause copies to be  
145 made of all minutes and other records and documents of the program  
146 and may give certificates under the official seal of the program to the  
147 effect that such copies are true copies, and all persons dealing with the  
148 program may rely upon such certificates.

149 (h) Four members of the board shall constitute a quorum for the  
150 transaction of any business or the exercise of any power of the  
151 authority. Each member shall be entitled to one vote on the board.

152 (i) (1) No member of the board or any officer, agent or employee of  
153 the authority shall, directly or indirectly, have any financial interest in  
154 any corporation, business trust, estate, trust, partnership or  
155 association, two or more persons having a joint or common interest, or  
156 any other legal or commercial entity contracting with the authority.  
157 Any individual who violates the provisions of this subsection shall be  
158 fined not less than fifty dollars nor more than one thousand dollars or  
159 imprisoned not more than thirty days, or both.

160 (2) Notwithstanding the provisions of subdivision (1) of this  
161 subsection or any other section of the general statutes, it shall not be a  
162 conflict of interest or a violation of the provisions of said subdivision  
163 or any other section of the general statutes, for a trustee, director,  
164 officer or employee of a bank, investment advisor, investment  
165 company or investment banking firm, or a person having the required  
166 favorable reputation for skill, knowledge and experience in retirement  
167 savings, to serve as a member of the board, provided, in each case to  
168 which the provisions of this subdivision are applicable, such trustee,  
169 director, officer or employee of such a firm abstains from discussion,  
170 deliberation, action and vote by the board in specific respect to any  
171 undertaking pursuant to this section or sections 3 to 11, inclusive, of  
172 this act in which such firm has a direct interest separate from the  
173 interests of all similar firms generally.

174 (j) The board, on behalf of the authority, and for the purpose of  
175 implementing the Connecticut Retirement Security Program  
176 established pursuant to section 3 of this act, shall adopt written  
177 procedures in accordance with the provisions of section 1-121 of the  
178 general statutes for the purposes of:

179 (1) Adopting an annual budget and plan of operations, including a  
180 requirement of board approval before such budget or plan may take  
181 effect;

182 (2) Hiring, dismissing, promoting and compensating employees of  
183 the authority, instituting an affirmative action policy and requiring  
184 board approval before a position may be created or a vacancy filled;

185 (3) Acquiring real and personal property and personal services,  
186 including requiring board approval for any nonbudgeted expenditure  
187 in excess of five thousand dollars;

188 (4) Contracting for financial, legal, and other professional services,  
189 and requiring that the authority solicit proposals not less than every  
190 three years for each such service used by the board or authority, except  
191 for any firm that contracts to provide custodial, recordkeeping or other  
192 services for the provision of an individual retirement account, such  
193 solicitation shall be not less than every ten years; and

194 (5) Using surplus funds to the extent authorized under this act or  
195 other provisions of the general statutes.

196 (k) The authority shall continue as long as the program remains in  
197 effect and until its existence is terminated by law. Upon termination of  
198 the existence of the authority, all its rights and properties shall pass to  
199 and be vested in the state of Connecticut.

200 (l) The provisions of this section and section 1-125 of the general  
201 statutes, as amended by this act, shall apply to any member, director or  
202 employee of the authority. No person shall be subject to civil liability  
203 for the debts, obligations or liabilities of the authority as provided in  
204 this section and section 1-125 of the general statutes, as amended by  
205 this act.

206 Sec. 3. (NEW) (*Effective from passage*) (a) There is established the  
207 Connecticut Retirement Security Program the purpose of which shall  
208 be to promote and enhance retirement savings for private sector  
209 employees in the state. The board of directors of the Connecticut  
210 Retirement Security Authority may:

211 (1) Adopt bylaws for the regulation of the affairs of the board and  
212 the conduct of its business;

213       (2) Adopt an official seal and alter the same at the pleasure of the  
214 board;

215       (3) Maintain an office at such place or places in the state as the board  
216 may designate;

217       (4) Sue and be sued in its own name;

218       (5) Establish criteria and guidelines for the retirement programs to  
219 be offered pursuant to this section and sections 4 to 11 of this act;

220       (6) Receive and invest moneys in the program in any instruments,  
221 obligations, securities or property in accordance with section 8 of this  
222 act;

223       (7) Contract with financial institutions or other organizations  
224 offering or servicing retirement programs. The authority may require  
225 that each participant be charged a fee to defray the costs of the  
226 program. The amount and method of collection of such fee shall be  
227 determined by the authority;

228       (8) Employ attorneys, accountants, consultants, financial experts,  
229 loan processors, banks, managers and such other employees and  
230 agents as may be necessary in the board's judgment, and to fix the  
231 compensation of such individuals;

232       (9) Charge and equitably apportion among participants the  
233 administrative costs and expenses incurred in the exercise of the  
234 board's powers and duties as granted by this section;

235       (10) Borrow working capital funds and other funds as may be  
236 necessary for the start-up and continuing operation of the program, as  
237 long as such funds are borrowed in the name of the authority only.  
238 Such borrowings shall be payable solely from revenues of the  
239 authority;

240       (11) Make and enter into contracts or agreements with professional  
241 service providers, including, but not limited to, financial consultants



242 and lawyers, as may be necessary or incidental to the performance of  
243 the board's duties and the execution of its powers under this section;

244 (12) Establish policies and procedures for the protection of program  
245 participants' personal and confidential information; and

246 (13) Do all things necessary or convenient to carry out the  
247 provisions of sections 2 to 11, inclusive, of this act.

248 (b) The board of directors of the Connecticut Retirement Security  
249 Authority shall enter into memoranda of understanding with the  
250 Labor Department and other state agencies regarding (1) the gathering  
251 or dissemination of information necessary for the operations of the  
252 program, subject to such obligations of confidentiality as may be  
253 agreed or required by law, (2) the sharing of costs incurred pursuant to  
254 the gathering and dissemination of such information, and (3) the  
255 reimbursement of costs for any enforcement activities conducted  
256 pursuant to section 10 of this act. Each state agency may also enter into  
257 such memoranda of understanding.

258 Sec. 4. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
259 Security Authority board of directors shall prepare informational  
260 materials regarding the Connecticut Retirement Security Program for  
261 distribution by qualified employers to plan participants and  
262 prospective plan participants pursuant to section 7 of this act. Such  
263 informational materials shall include, but not be limited to:

264 (1) The benefits and risks associated with making contributions to or  
265 making withdrawals from the program;

266 (2) The process for making contributions to the program, including  
267 a contribution election form;

268 (3) Clear and conspicuous notice regarding the default contribution  
269 level;

270 (4) The process by which a participant may opt out of the program  
271 by electing a contribution level of zero;

272 (5) The process for withdrawing retirement savings from the  
273 program, including an explanation of how the tax treatment of  
274 withdrawals may differ between a Roth IRA and a traditional IRA  
275 available under the program;

276 (6) The process by which a participant may obtain additional  
277 information on the program, including information regarding  
278 investment options available under the program; and

279 (7) Such other information as the board may determine is necessary  
280 or advisable to provide to participants, potential participants and  
281 qualified employers in the state.

282 (b) Not less than quarterly, the board shall provide a statement to  
283 each participant that shall include, but need not be limited to, the  
284 following information:

285 (1) The account balance in a participant's individual retirement  
286 account, including the value of the participant's investment in each  
287 investment option selected by the participant;

288 (2) The various investment options available to each participant and  
289 the process by which a participant may select investment options for  
290 his or her contributions in accordance with subsection (b) of section 31-  
291 71j of the general statutes, as amended by this act, or as prescribed by  
292 the authority;

293 (3) The amount of fees charged to each participant's individual  
294 retirement account and a description of the services to which such  
295 charges relate; and

296 (4) At the election of the board, an estimate of the amount of income  
297 the account is projected to generate for a participant's retirement based  
298 on reasonable assumptions.

299 (c) Not less than annually, the board shall provide each participant  
300 with notification regarding fees that may be imposed through the  
301 program and information regarding the various investment options

302 that may be available to participants. The board may provide such  
303 notification and information in the form of a prospectus or similar  
304 document.

305 (d) The board, on behalf of the authority, may adopt policies and  
306 procedures in accordance with the provisions of section 1-121 of the  
307 general statutes for the electronic dissemination of any notices or  
308 information required to be provided to participants, potential  
309 participants and qualified employers pursuant to the provisions of this  
310 section.

311 Sec. 5. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
312 Security Program shall provide for the establishment and maintenance  
313 of an individual retirement account for each program participant. Such  
314 individual retirement account shall be established and maintained  
315 through the program or a third-party entity in the business of  
316 establishing and maintaining individual retirement accounts. Program  
317 assets shall be held in trust or custodial accounts meeting the  
318 requirements of Section 408(a) or (c) of the Internal Revenue Code of  
319 1986, or any subsequent corresponding internal revenue code of the  
320 United States, as amended from time to time, or any other applicable  
321 federal law requirements. Each participant shall have the right to elect  
322 whether to contribute to a traditional IRA or a Roth IRA. In the  
323 absence of a participant's affirmative election, a Roth IRA shall be  
324 established for the participant.

325 (b) Interest, investment earnings and investment losses shall be  
326 allocated to each participant's individual retirement account. A  
327 participant's benefit under the program shall be equal to the balance in  
328 such participant's individual retirement account as of any applicable  
329 measurement date prescribed by the program.

330 (c) The Connecticut Retirement Security Authority shall establish, or  
331 cause to be established, processes to prevent a participant's  
332 contributions to the program from exceeding the maximum amount of  
333 deduction under 26 USC 219(b)(1) for the participant's tax year.

334 (d) The state shall not be liable for the payment of any benefit to any  
335 participant or beneficiary of any participant and shall not be liable for  
336 any liability or obligation of the authority. The authority shall not be  
337 liable for the payment of any benefit to any participant or beneficiary  
338 of any participant, except with respect to any individual retirement  
339 accounts established and maintained by the authority.

340 Sec. 6. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
341 Security Authority board of directors, in conducting the business of the  
342 authority, including its oversight functions, shall act: (1) With the care,  
343 skill, prudence and diligence under the circumstances then prevailing  
344 that a prudent person acting in a like capacity and familiar with such  
345 matters would use in the conduct of an enterprise of like character and  
346 with like aims; (2) solely in the interests of the program's participants  
347 and beneficiaries; (3) for the exclusive purposes of providing benefits  
348 to participants and beneficiaries and defraying reasonable expenses of  
349 administering the program; and (4) in accordance with the provisions  
350 of sections 2 to 11, inclusive, of this act and any other applicable  
351 sections of the general statutes.

352 (b) The board shall, to the extent reasonable and practicable, require  
353 any agents engaged or appointed by the authority to abide by the  
354 standard of care described in subsection (a) of this section.

355 Sec. 7. (NEW) (*Effective from passage*) (a) (1) Not later than July 1,  
356 2017, and annually thereafter, each qualified employer shall provide  
357 each of its covered employees with the informational materials  
358 prepared by the Connecticut Retirement Security Authority board of  
359 directors pursuant to section 4 of this act. For any employee of a  
360 qualified employer who (A) is hired on or after July 1, 2017, or (B) does  
361 not meet the definition of covered employee pursuant to section 1 of  
362 this act, such qualified employer shall provide such informational  
363 materials to such employee not later than thirty days, or such other  
364 time period as prescribed by the authority, after (i) the date of such  
365 employee's hiring, or (ii) the date such employee meets the definition  
366 of covered employee pursuant to section 1 of this act.

367 (2) Not later than sixty days after a qualified employer provides  
368 informational materials to a covered employee in accordance with  
369 subsection (a) of this section, or such other time period as prescribed  
370 by the authority, and subject to the provisions of subdivision (3) of this  
371 subsection, such qualified employer shall automatically enroll each of  
372 its covered employees in the program at the participant's contribution  
373 level in accordance with the provisions of section 31-71j of the general  
374 statutes, as amended by this act.

375 (3) A covered employee may opt out of the program by electing a  
376 contribution level of zero.

377 (4) (A) A qualified employer that (i) maintains a retirement plan or  
378 retirement arrangement described under Section 219(g)(5) of the  
379 Internal Revenue Code of 1986, or any subsequent corresponding  
380 internal revenue code of the United States, as amended from time to  
381 time, or (ii) any other retirement arrangement approved by the  
382 authority, shall be exempt from the requirements of subdivisions (1)  
383 and (2) of this subsection.

384 (B) A qualified employer shall not be considered to maintain a  
385 retirement plan or retirement arrangement described under said  
386 Section 219(g)(5) or any other retirement arrangement approved by the  
387 authority pursuant to subparagraph (A) of this subdivision, if the  
388 authority determines that (i) as of the first day of the previous calendar  
389 year, no new participant was eligible to be enrolled in a retirement  
390 plan or retirement arrangement maintained by such qualified  
391 employer, and (ii) on and after the first day of the previous calendar  
392 year, no contributions were made to such retirement plan or retirement  
393 arrangement by or on behalf of a participant in such plan or  
394 arrangement.

395 (5) The authority may defer the effective date of the program, in  
396 whole or in part, and for particular categories of employers, as the  
397 authority deems necessary to effectuate the purposes of sections 2 to  
398 11, inclusive, of this act in a manner that minimizes the disruption and  
399 burdens that may exist for any qualified employer.

400 (b) An employer that does not otherwise meet the definition of a  
401 qualified employer may make the program available to its employees  
402 subject to such rules and procedures as may be prescribed by the  
403 authority and in accordance with the provisions of subsection (a) of  
404 this section, except no such employer shall require any employee to  
405 enroll in the program.

406 (c) Any individual who is not enrolled in the program pursuant to  
407 subsection (a) of this section may participate in the program at any  
408 time subject to such rules and procedures as the authority may  
409 prescribe. The authority shall provide the informational materials  
410 described in subdivision (1) of subsection (a) of this section to any such  
411 individual at or before the time of such individual's enrollment in the  
412 program.

413 (d) To the extent permitted under the Internal Revenue Code of  
414 1986, or any subsequent corresponding internal revenue code of the  
415 United States, as amended from time to time, the authority shall allow  
416 any individual to establish or contribute to an individual retirement  
417 account maintained for such individual under the program by rolling  
418 over funds from an existing retirement savings account of the  
419 individual.

420 (e) A qualified employer that withholds a contribution from a  
421 covered employee's compensation in connection with the program  
422 shall transmit such contribution on the earliest date the amount  
423 withheld from the covered employee's compensation can reasonably  
424 be segregated from the qualified employer's assets, but not later than  
425 the fifteenth business day of the month following the month in which  
426 the covered employee's contribution amounts are withheld from his or  
427 her paycheck.

428 (f) No qualified employer shall be permitted to make a contribution  
429 to the program.

430 Sec. 8. (NEW) (*Effective from passage*) The Connecticut Retirement  
431 Security Authority shall provide for each participant's account to be

432 invested in (1) an age-appropriate target date fund, except as provided  
433 in subsection (b) of section 9 of this act, or (2) such other investment  
434 vehicles as the authority may prescribe.

435       Sec. 9. (NEW) (*Effective from passage*) (a) The Connecticut Retirement  
436 Security Authority shall establish rules and procedures governing the  
437 distribution of funds from the program. Such rules and procedures  
438 shall allow for such distributions as may be permitted or required by  
439 the program and any applicable provisions of the Internal Revenue  
440 Code of 1986, or any subsequent corresponding internal revenue code  
441 of the United States, as amended from time to time.

442       (b) The program shall include the following design features  
443 prescribed by the authority, provided such features are determined to  
444 be feasible and cost effective:

445       (1) Designate a lifetime income investment for the program  
446 intended to provide participants with a source of retirement income  
447 for life;

448       (2) Provide to each participant, one year in advance of the  
449 participant's normal retirement age, a disclosure explaining (A) the  
450 rights and features of the lifetime income investment; (B) that once the  
451 participant reaches normal retirement age, fifty per cent of the  
452 participant's account will be invested in the lifetime income  
453 investment; and (C) that the participant may elect to invest a higher  
454 percentage of his or her account balance in the lifetime income option;

455       (3) On the date a participant reaches his or her normal retirement  
456 age, invest fifty per cent of the participant's account balance, or such  
457 higher amount as specified by the participant, in the lifetime income  
458 investment;

459       (4) Permit each participant to elect a date not earlier than his or her  
460 normal retirement age on which to begin receiving distributions,  
461 provided, in the absence of an election, such distributions shall  
462 commence not later than ninety days after the participant reaches his

463 or her normal retirement age; and

464 (5) Establish procedures whereby each participant may elect to  
465 invest a higher percentage of his or her account balance in the lifetime  
466 income investment.

467 Sec. 10. (NEW) (*Effective from passage*) (a) The Attorney General may  
468 investigate any violation of section 6 of this act. If the Attorney General  
469 finds that any member of the Connecticut Retirement Security  
470 Authority board of directors, or any agent engaged or appointed by  
471 the board or the authority has violated or is violating any provision of  
472 said section, the Attorney General may bring a civil action in the  
473 superior court for the judicial district of Hartford under this section in  
474 the name of the state against such member or agent. The remedies  
475 available to a court in any such action shall be limited to injunctive  
476 relief. Nothing in this section shall be construed to create a private  
477 right of action.

478 (b) If a qualified employer fails to remit contributions to the  
479 program in the time period specified in subsection (e) of section 7 of  
480 this act, such failure to remit such contributions shall be a violation of  
481 section 31-71e of the general statutes, as amended by this act.

482 (c) If a qualified employer fails to enroll a covered employee as  
483 required under subsection (a) of section 7 of this act, such covered  
484 employee, or the Labor Commissioner, may bring a civil action to  
485 require the qualified employer to enroll the covered employee and  
486 shall recover such costs and reasonable attorney's fees as may be  
487 allowed by the court.

488 Sec. 11. (NEW) (*Effective from passage*) (a) The Connecticut  
489 Retirement Security Authority shall keep an accurate account of all its  
490 activities, receipts and expenditures and shall submit, in accordance  
491 with the provisions of section 11-4a of the general statutes, a report  
492 detailing such activities, receipts and expenditures to the Connecticut  
493 Retirement Security Authority board of directors, the Governor, the  
494 Office of Auditors of Public Accounts and the joint standing



495 committees of the General Assembly having cognizance of matters  
496 relating to labor and finance, revenue and bonding on or before  
497 December thirty-first annually. Such report shall be in a form  
498 prescribed by the board and shall include projected activities of the  
499 authority for the next fiscal year and shall be subject to approval by the  
500 Auditors of Public Accounts.

501 (b) The Auditors of Public Accounts may conduct a full audit of the  
502 books and accounts of the authority pertaining to such activities,  
503 receipts and expenditures, personnel, services or facilities, in  
504 accordance with the provisions of section 2-90 of the general statutes.  
505 For the purposes of such audit, the Auditors of Public Accounts shall  
506 have access to the properties and records of the authority, and may  
507 prescribe methods of accounting and the rendering of periodical  
508 reports in relation to projects undertaken by the authority.

509 (c) The authority shall enter into memoranda of understanding with  
510 the State Comptroller pursuant to which the authority shall provide, in  
511 such form and manner as prescribed by the State Comptroller,  
512 information that may include, but need not be limited to, the current  
513 revenues and expenses of the authority, the sources or recipients of  
514 such revenues or expenses, the date such revenues or expenses were  
515 received or dispersed and the amount and the category of such  
516 revenues or expenses. The State Comptroller may also enter into such  
517 memoranda of understanding.

518 Sec. 12. (*Effective from passage*) The Connecticut Retirement Security  
519 Authority may study the feasibility of the state or the authority making  
520 available to employers a multiple-employer 401(k) plan or other tax-  
521 favored retirement savings vehicle.

522 Sec. 13. Subdivision (12) of section 1-79 of the 2016 supplement to  
523 the general statutes is repealed and the following is substituted in lieu  
524 thereof (*Effective July 1, 2016*):

525 (12) "Quasi-public agency" means Connecticut Innovations,  
526 Incorporated, the Connecticut Health and Education Facilities

527 Authority, the Connecticut Higher Education Supplemental Loan  
528 Authority, the Connecticut Student Loan Foundation, the Connecticut  
529 Housing Finance Authority, the State Housing Authority, the Materials  
530 Innovation and Recycling Authority, the Capital Region Development  
531 Authority, the Connecticut Lottery Corporation, the Connecticut  
532 Airport Authority, the Connecticut Health Insurance Exchange, the  
533 Connecticut Green Bank, the Connecticut Retirement Security  
534 Authority, the Connecticut Port Authority and the State Education  
535 Resource Center.

536 Sec. 14. Subdivision (1) of section 1-120 of the 2016 supplement to  
537 the general statutes is repealed and the following is substituted in lieu  
538 thereof (*Effective July 1, 2016*):

539 (1) "Quasi-public agency" means Connecticut Innovations,  
540 Incorporated, the Connecticut Health and Educational Facilities  
541 Authority, the Connecticut Higher Education Supplemental Loan  
542 Authority, the Connecticut Student Loan Foundation, the Connecticut  
543 Housing Finance Authority, the Connecticut Housing Authority, the  
544 Materials Innovation and Recycling Authority, the Capital Region  
545 Development Authority, the Connecticut Lottery Corporation, the  
546 Connecticut Airport Authority, the Connecticut Health Insurance  
547 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
548 Security Authority, the Connecticut Port Authority and the State  
549 Education Resource Center.

550 Sec. 15. Section 1-124 of the 2016 supplement to the general statutes  
551 is repealed and the following is substituted in lieu thereof (*Effective July*  
552 *1, 2016*):

553 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
554 and Educational Facilities Authority, the Connecticut Higher  
555 Education Supplemental Loan Authority, the Connecticut Student  
556 Loan Foundation, the Connecticut Housing Finance Authority, the  
557 Connecticut Housing Authority, the Materials Innovation and  
558 Recycling Authority, the Connecticut Airport Authority, the Capital  
559 Region Development Authority, the Connecticut Health Insurance

560 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
561 Security Authority, the Connecticut Port Authority and the State  
562 Education Resource Center shall not borrow any money or issue any  
563 bonds or notes which are guaranteed by the state of Connecticut or for  
564 which there is a capital reserve fund of any kind which is in any way  
565 contributed to or guaranteed by the state of Connecticut until and  
566 unless such borrowing or issuance is approved by the State Treasurer  
567 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
568 approval of the State Treasurer or said deputy shall be based on  
569 documentation provided by the authority that it has sufficient  
570 revenues to (1) pay the principal of and interest on the bonds and notes  
571 issued, (2) establish, increase and maintain any reserves deemed by the  
572 authority to be advisable to secure the payment of the principal of and  
573 interest on such bonds and notes, (3) pay the cost of maintaining,  
574 servicing and properly insuring the purpose for which the proceeds of  
575 the bonds and notes have been issued, if applicable, and (4) pay such  
576 other costs as may be required.

577 (b) To the extent Connecticut Innovations, Incorporated, the  
578 Connecticut Higher Education Supplemental Loan Authority, the  
579 Connecticut Student Loan Foundation, the Connecticut Housing  
580 Finance Authority, the Connecticut Housing Authority, the Materials  
581 Innovation and Recycling Authority, the Connecticut Health and  
582 Educational Facilities Authority, the Connecticut Airport Authority,  
583 the Capital Region Development Authority, the Connecticut Health  
584 Insurance Exchange, the Connecticut Green Bank, the Connecticut  
585 Retirement Security Authority, the Connecticut Port Authority or the  
586 State Education Resource Center is permitted by statute and  
587 determines to exercise any power to moderate interest rate fluctuations  
588 or enter into any investment or program of investment or contract  
589 respecting interest rates, currency, cash flow or other similar  
590 agreement, including, but not limited to, interest rate or currency swap  
591 agreements, the effect of which is to subject a capital reserve fund  
592 which is in any way contributed to or guaranteed by the state of  
593 Connecticut, to potential liability, such determination shall not be  
594 effective until and unless the State Treasurer or his or her deputy

595 appointed pursuant to section 3-12 has approved such agreement or  
596 agreements. The approval of the State Treasurer or his or her deputy  
597 shall be based on documentation provided by the authority that it has  
598 sufficient revenues to meet the financial obligations associated with the  
599 agreement or agreements.

600       Sec. 16. Section 1-125 of the 2016 supplement to the general statutes  
601 is repealed and the following is substituted in lieu thereof (*Effective July*  
602 *1, 2016*):

603       The directors, officers and employees of Connecticut Innovations,  
604 Incorporated, the Connecticut Higher Education Supplemental Loan  
605 Authority, the Connecticut Student Loan Foundation, the Connecticut  
606 Housing Finance Authority, the Connecticut Housing Authority, the  
607 Materials Innovation and Recycling Authority, including ad hoc  
608 members of the Materials Innovation and Recycling Authority, the  
609 Connecticut Health and Educational Facilities Authority, the Capital  
610 Region Development Authority, the Connecticut Airport Authority,  
611 the Connecticut Lottery Corporation, the Connecticut Health Insurance  
612 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
613 Security Authority, the Connecticut Port Authority and the State  
614 Education Resource Center and any person executing the bonds or  
615 notes of the agency shall not be liable personally on such bonds or  
616 notes or be subject to any personal liability or accountability by reason  
617 of the issuance thereof, nor shall any director or employee of the  
618 agency, including ad hoc members of the Materials Innovation and  
619 Recycling Authority, be personally liable for damage or injury, not  
620 wanton, reckless, wilful or malicious, caused in the performance of his  
621 or her duties and within the scope of his or her employment or  
622 appointment as such director, officer or employee, including ad hoc  
623 members of the Materials Innovation and Recycling Authority. The  
624 agency shall protect, save harmless and indemnify its directors,  
625 officers or employees, including ad hoc members of the Materials  
626 Innovation and Recycling Authority, from financial loss and expense,  
627 including legal fees and costs, if any, arising out of any claim, demand,  
628 suit or judgment by reason of alleged negligence or alleged

629 deprivation of any person's civil rights or any other act or omission  
630 resulting in damage or injury, if the director, officer or employee,  
631 including ad hoc members of the Materials Innovation and Recycling  
632 Authority, is found to have been acting in the discharge of his or her  
633 duties or within the scope of his or her employment and such act or  
634 omission is found not to have been wanton, reckless, wilful or  
635 malicious.

636       Sec. 17. Section 31-71e of the general statutes is repealed and the  
637 following is substituted in lieu thereof (*Effective July 1, 2016*):

638       No employer may withhold or divert any portion of an employee's  
639 wages unless (1) the employer is required or empowered to do so by  
640 state or federal law, or (2) the employer has written authorization from  
641 the employee for deductions on a form approved by the commissioner,  
642 or (3) the deductions are authorized by the employee, in writing, for  
643 medical, surgical or hospital care or service, without financial benefit  
644 to the employer and recorded in the employer's wage record book, or  
645 (4) the deductions are for contributions attributable to automatic  
646 enrollment, as defined in section 31-71j, as amended by this act, in a  
647 retirement plan described in Section 401(k), 403(b), 408, 408A or 457 of  
648 the Internal Revenue Code of 1986, or any subsequent corresponding  
649 internal revenue code of the United States, as from time to time  
650 amended, established by the employer, or in the Connecticut  
651 Retirement Security Program established pursuant to section 3 of this  
652 act, or (5) the employer is required under the law of another state to  
653 withhold income tax of such other state with respect to (A) employees  
654 performing services of the employer in such other state, or (B)  
655 employees residing in such other state.

656       Sec. 18. Section 31-71j of the general statutes is repealed and the  
657 following is substituted in lieu thereof (*Effective July 1, 2016*):

658       (a) As used in this section: (1) "Automatic enrollment" means a plan  
659 provision in an employee retirement plan described in Section 401(k)  
660 or 403(b) of the Internal Revenue Code of 1986, or any subsequent  
661 corresponding internal revenue code of the United States, as from time

662 to time amended, or a governmental deferred compensation plan  
663 described in Section 457 of said Internal Revenue Code, or a payroll  
664 deduction Individual Retirement Account plan described in Section  
665 408 or 408A of said Internal Revenue Code, or the Connecticut  
666 Retirement Security Program established pursuant to section 3 of this  
667 act, under which an employee is treated as having elected to have the  
668 employer make a specified contribution to the plan equal to a  
669 percentage of compensation specified in the plan until such employee  
670 affirmatively elects to not have such contribution made or elects to  
671 make a contribution in another amount; and (2) "automatic  
672 contribution arrangement" means an arrangement under an automatic  
673 enrollment plan under which, in the absence of an investment election  
674 by the participating employee, contributions made under such plan are  
675 invested in accordance with regulations prescribed by the United  
676 States Secretary of Labor under Section 404(c)(5) of the Employee  
677 Retirement Income Security Act of 1974, as amended from time to  
678 time.

679 (b) Any employer who provides automatic enrollment shall be  
680 relieved of liability for the investment decisions made by the employer  
681 or the Connecticut Retirement Security Program pursuant to section 8  
682 of this act on behalf of any participating employee under an automatic  
683 contribution arrangement, provided:

684 (1) The plan allows the participating employee at least quarterly  
685 opportunities to select investments for the employee's contributions  
686 between investment alternatives available under the plan;

687 (2) The employee is given notice of the investment decisions that  
688 will be made in the absence of the employee's direction, a description  
689 of all the investment alternatives available under the plan and a brief  
690 description of procedures available for the employee to change  
691 investments; and

692 (3) The employee is given at least annual notice of the actual  
693 investments made on behalf of the employee under such automatic  
694 contribution arrangement.

695 (c) Nothing in this section shall modify any existing responsibility of  
696 employers or other plan officials for the selection of investment funds  
697 for participating employees.

698 (d) The relief from liability of the employer under this section shall  
699 extend to any other plan official who actually makes the investment  
700 decisions on behalf of participating employees under an automatic  
701 contribution arrangement.

702 Sec. 19. Sections 31-410 to 31-415, inclusive, of the general statutes  
703 are repealed. (*Effective July 1, 2016*)

|   |                     |                  |
|---|---------------------|------------------|
| This act shall take effect as follows and shall amend the following sections: |                     |                  |
| Section 1   | <i>from passage</i> | New section      |
| Sec. 2  | <i>from passage</i> | New section      |
| Sec. 3  | <i>from passage</i> | New section      |
| Sec. 4  | <i>from passage</i> | New section      |
| Sec. 5  | <i>from passage</i> | New section      |
| Sec. 6  | <i>from passage</i> | New section      |
| Sec. 7  | <i>from passage</i> | New section      |
| Sec. 8  | <i>from passage</i> | New section      |
| Sec. 9  | <i>from passage</i> | New section      |
| Sec. 10   | <i>from passage</i> | New section      |
| Sec. 11   | <i>from passage</i> | New section      |
| Sec. 12   | <i>from passage</i> | New section      |
| Sec. 13   | <i>July 1, 2016</i> | 1-79(12)         |
| Sec. 14   | <i>July 1, 2016</i> | 1-120(1)         |
| Sec. 15   | <i>July 1, 2016</i> | 1-124            |
| Sec. 16   | <i>July 1, 2016</i> | 1-125            |
| Sec. 17   | <i>July 1, 2016</i> | 31-71e           |
| Sec. 18   | <i>July 1, 2016</i> | 31-71j           |
| Sec. 19   | <i>July 1, 2016</i> | Repealer section |